



American Gilsonite Company
Bonanza Mine Site
29950 South Bonanza Highway
Bonanza, UT 84008
Phone: (435) 789-1921
Fax: (435) 781-1956

November 5, 2014

Mr. Vaughn Hughes
BLM
125 S 600 W
Price, UT 84501

Ms. April Abate
DOGM
PO Box 145801
Salt Lake City, UT 84114-5801

Jerry Kenzca
Green River District
BLM- Vernal Field Office
170 S 500 E
Vernal, UT 84078

Re: UTU-072699 – Cottonwood Mines

Dear Mr. Kenzca, Mr. Hughes, and Ms. Abate

This letter is to notify you that American Gilsonite Company (AGC) intends to commence mining operations in the Cottonwood #3 mine in early 2015. Preliminary inspections and repairs are expected to start during February of 2015 and are expected to take 3-5 months. Once the repairs have been made and AGC has deemed that it is safe, AGC will commence to mine according to the approved mine plan.

In lieu of production in Cottonwood #3 until July 2015 timeframe, as a written notification, AGC proposes to continue the Minimum Royalty Payment of \$3.00/acre. If the production in Cottonwood #3 is delayed beyond July 1, 2015 for any unforeseen circumstances, AGC will notify the BLM concerning the situation.

If you have any questions please feel free to contact either Dean Richens at 435-790-3709 or myself at 435-781-4552.

Thank you for your time and consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nicholas J. Lott'.

Nicholas J. Lott
General Manager
American Gilsonite Company

xc: UTU-072699

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